

**LOCAL GOVERNMENT TAX CONTROL BOARD**



**RECOMMENDATIONS**  
**TO THE**  
**DEPARTMENT OF LOCAL GOVERNMENT FINANCE**  
**FROM**  
**FEBRUARY 22, 2007**

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## Call to Order

Dave Christian called the February 22<sup>nd</sup> 2007 Local Government Tax Control Board meeting to order at 9:00 am. Board members present were Dave Christian, Dan Jones, Stan Mettler, Lisa Decker, John Stafford, Ken Giffin and Ken Kobe. Judy Robertson was the administrative officer for the meeting.

### Discussion

Dave: It is time to choose who will be the chair and vice-chair for the 2007 calendar year. Do I hear any motions?

Ken Kobe motioned to recommend Dave Christian as Chair Person and Lisa Decker as Vice-Chairperson. John Stafford seconded. Dave and Lisa were willing to accept the nominations. Ken Giffin motioned to recommend the closing of the nominations. The motion carried 7-0.

### Recommendation:

John Stafford motioned to recommend approval of the December 14<sup>th</sup> Minutes. Ken Kobe seconded and the motion carried 6-0. Ken Giffin was not a member of this Board at the December 14<sup>th</sup> meeting.

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## Hamilton County Unit, Hamilton County Lease Financing

Summary: The unit is requesting approval to execute a lease with Hamilton County Public Building Corporation in the amount of \$43,000,000 with maximum annual lease rental payments of \$3,600,000 for a term of twenty-three (23) years. The purpose of the project is to address present overcrowding in the existing Hamilton County Jail; to substantially increase the existing community corrections (primarily work release) program; and expand the areas which provide support services to the entire Hamilton County Corrections Center.

Project Costs: \$43,000,000      Amount applied to debt: \$43,000,000      Annual Payment: \$3,600,000

Controlled or Uncontrolled:      Controlled

Revenue Source for Property Tax Backup:      N/A

|                  |                        |                  |
|------------------|------------------------|------------------|
| Tax Rate Impact: | 2006 AV                | \$17,491,455,791 |
|                  | Levy Needed            | \$3,235,000      |
|                  | Est. Debt Service Rate | .0185            |

### Meeting and Publication Dates:

|  |   |
|--|---|
| Date of publication for a public hearing | 11/10/2006 Board of Commissioners<br>12/29/2006 Board of Commissioners for the lease  |
| Date of public hearings                  | 11/27/2006<br>01/08/2007  |
| Resolution/Ordinances adopted            | 11/27/2006 approving the need to execute a lease<br>12/06/2006 approving the terms & conditions of the lease<br>12/11/2006 requesting the lease & taking other actions<br>01/05/2007 approval of the lease by the Building Corp.<br>01/08/2007 approving the execution of a lease |

|   |            |             |
|---|------------|-------------|
| Notice of Determination                   | 12/01/2006 |             |
| Auditor's Certificate of No Remonstrance: | 01/12/2007 |             |
| Common Construction Wage:                 | 02/01/2007 | Vote: 3-1-1 |
| Missing Information:                      | None       |             |

#### Attendance

The following people attended the meeting: Doug Carter (Sheriff), Christine Altman (County Commissioner), Michael Howard (Attorney), Jim Treat (Financial Advisor with O.W. Krohn), Jim Crawford (Bond Counsel), Dan Stevens (?), John E. Barbee (Construction Manager), Ralph Watson (Executive Director), Mark Van Allen (Architect), and Randy Ruhl (City Securities Corp.).

#### Discussion:

Mike Howard: This is the result of four years of planning. This project is the adult component of the corrections complex started a few years ago with the new juvenile detention center that was opened in January of this year. It is another major step in extending the life of the thirty-seven acre corrections complex. There are five separate buildings involved in the renovation and addition project.

Doug Carter: I would like to talk about three things:

1. How we identified the problem
2. How we researched, identified and choose the solution, and
3. Explain the inmate pipeline

First is identifying the problem. We have been at 95% or above capacity consistently for the last five or six years. The inmate population has increased 38% over the last five years. There is at least a six month waiting list for inmates to enter into the community corrections work release facility. Our emergency management agency is located at the fairgrounds, which is 1.4 miles away. The second piece of the problem is to consolidate the 911 dispatch center. There are currently three separate centers in Hamilton County – one in Carmel, one in Noblesville and the County's dispatch center, also in Noblesville. We would like to merge two of the centers into one. The south end of the jail building will be refurbished and fitted to be used as a lab, storage area, and medical facility. This is a project that will meet our needs for the next twenty-five to thirty years. Our current jail has a capacity of 292 beds. We have done some research comparing Hamilton County to other communities our size nation-wide. Our research showed that our bed capacity and availability is out of sync with our community size.

Project 1 includes retrofitting the in-mate booking, medical center, sally-port, lab, etc.

Project 2 is building a new work release center, which will allow accountability while still allowing offenders to go to work, pay their bills, and transition into becoming productive citizens. It will add 200 beds, with the possibility of another 200-bed expansion for the future, if needed.

Project 3 is refitting the old jail and adding minimum and medium security areas. Only a third of the current maximum security area is needed. The other two thirds can be converted for medium and minimum security.

Project 4 is to consolidate the two dispatch centers into one and add storage space and bring the emergency management personnel to where they are needed the most.

Project 5 is the corrections pipeline. This is where offenders are identified into the type of environment they need to be placed and then placing them appropriately into maximum, medium, or minimum security.

There has been no public remonstrance. The County Council approved the project 6-1 and the County Commissioners approved it 2-1.

Questions by board members:

Ken G.: What is the average stay of an inmate?

Doug: Three days or less. Once they post bond, they are released.

Ken K.: Give me a summary of available beds before and after the project is completed.

Doug: There will be the original 292 beds that will be used for maximum, medium and minimum security; there is currently 125 beds in the community corrections facility, that will increase by another 125 beds; in the current community corrections facility, we will refurbish it to hold 200 beds for the work release program, with the potential of an additional 200 beds for a future expansion project.

Dave: What is the tax rate impact?

Jim Treat: This is a two-year project, so a tax rate will not be imposed until 2009. The first year the estimated tax rate is seven tenths of a cent with a debt payment of \$250,000, which is about \$20 a year using a 1.6 cent tax rate. The maximum payment is estimated to be \$3,600,000, but because of the increase in assessed value, the tax rate is expected to stay around the seven tenths of a cent rate. The worst case scenario, with no increase in assessed value, is one and a half cent tax rate.

Ken K.: Did this project start out at a higher price and then scaled back to the \$43,000,000?

Doug: We did not attach a dollar amount at the beginning. Dollars were not assigned until the end, when the needs had been analyzed and the project accepted.

Christina: The project was need driven. I took a tour of the in-take area and it is truly dangerous for the officers, the public or any other people who are coming through.

Dave: According to this, you are not addressing maximum security for the next twenty-five years, only minimum and medium security areas.

Christina: That is because most of the current jail inmates do not need maximum security, but that is where they are kept. Once those inmates are transferred to other security areas and to community corrections, then those beds will be free for truly maximum security inmates. So by addressing these other areas, maximum security will be available again.

Dave: Our concern is not with the matter of need, but of the dollars and cents. This is the largest project that I can remember that we have seen. A cost comparison with other projects shows that this project is way over the baseline. For example:

|                           |                        |                           |
|---------------------------|------------------------|---------------------------|
| Average amount requested  | baseline=\$7.4 million | this project=\$43 million |
| Average amount per capita | baseline=\$50.51       | this project=\$178.66     |
| Prime construction costs  | baseline=\$13.84       | this project=\$124.47     |

I see a big discrepancy here and think that there is room for tightening this project up.

Christina: We are working with existing buildings and foot prints.

Mike Howard: This is a very complex project.

Christina: We do not even have the old maps showing where the conduit system runs. It makes it extremely difficult.

John: It looks like there was a significant amount of debt refunded in 2002 which is scheduled to expire in 2014 – what was that debt for?

Mike: The existing county buildings and the current jail facility.

John: Is there any way that you could wrap this debt around old debt that is expiring?

Mike: We did look into wrapping this debt around other expiring debt, but it is not feasible. You can usually do that for a couple of years, but after that, it is not feasible.

John: You have here user fees as additional funding for the project – what are user fees for a jail?

Answer: Offender fees that we receive.

Doug: This project will require the addition of only one staff person.

Dan: What is the average county-wide tax rate?

Jim: I don't have that information with me, but it is around \$2.50. Carmel is at \$2.10 and Noblesville is \$2.80.

Dan: On page 2 of the hearing information sheet there is a redevelopment TIF with a rate, what is the rate being used for?

Jim: That is the replacement levy.

Dan: Page four lists the total project costs, which includes \$369,000 for general conditions – what is that?

John Barbee: Trailers used during construction and other overhead items.

Dan: You also have professional fees under "Other" of \$209,000 for document printing – what is that?

Answer: For printing and bidding and other document fees.

Dan: You have loose equipment listed at \$932,006 and technology equipment of \$387,253 – does this equipment and technologies have a 23-year life expectancy?

Answer: The technology is for computers and software, so that will not.

Dan: There is also \$678,000 of "Other" under Other Project costs – what is that other for?

Answer: For permit fees, utility connection and sewage fees.

Dan: One other thing – the \$249,000 for bond insurance – what is the bond rating of the County?

Jim Crawford: The current rating is AA, the bond insurance is to increase the rating for the purpose of lowering the interest rate.

Ken G.: I am concerned about the amount of fees this project has for architectural services, design, etc. Is there any way to adjust any of these fees?

Christina: We have hired the people most knowledgeable about community corrections facilities. We could have gone with someone else, but would have paid for it in the long run, because jails are not their specialty. The firms we have gone with have the most experience and know how to design and build jails, what to look for, and the right questions to ask.

Lisa: There was no public input?

Mike: No citizens spoke out against it.

Stan: Has there been any law suits mandating this?

Mike: No, not yet. We are being pro-active, before it gets to that point.

Dave: One last comment – we all are in agreement that the project costs are too high to other projects of like comparison. There is room, I think, to tighten this project up.

Recommendation:

Dan motioned to recommend approval of lease in the amount of \$43,000,000 minus \$932,006 for loose equipment and minus \$387,253 for technology equipment, with maximum annual lease rental payments in the amount of \$3,600,000 for a term of twenty-three (23) years. Lisa seconded and the motion carried 7-0.

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**Middle Township, Hendricks County  
Emergency Fire Loan**

Summary: The unit is requesting approval to obtain a loan in the amount of \$400,000 for a term of one (1) year for the purpose of funding personnel costs through 2007.

Project Costs: \$400,000

Amount applied to debt: \$400,000

Annual Payment: \$433,580

|                                 |  |               |
|---------------------------------|--|---------------|
| Emergency Loan Calculation:     |  | 2007 proposed |
| Certified Property Taxes        |  | \$340,213     |
| Certified Misc. Revenue         |  | \$320,000     |
| Jan. 1st Cash Balance (June 30) |  | \$5,685       |
| Total Funds Available           |  | \$665,898     |
| Less: Prior Year Encumbrances   |  | \$0           |
| Less: Estimated Expenses        |  | \$1,093,235   |
| Funds Remaining (Needed)        |  | \$(427,337)   |
| Advertised Budget               |  | \$1,093,235   |
| Adopted Budget                  |  | \$1,093,235   |
| Advertised/Adopted Budget       |  | \$1,093,235   |
| Less Certified Budget           |  |               |
| Budget cut by DLGF              |  |               |

|                  |               |               |
|------------------|---------------|---------------|
| Tax Rate Impact: | 2006 AV       | \$286,975,200 |
|                  | Levy Needed   | \$397,580     |
|                  | Est. Tax Rate | .1385         |

Meeting and Publication Dates:

|  |                 |
|--|-----------------|
| Date of publication for a public hearing | 12/14 & 21/2006 |
| Date of public hearing                   | 01/04/2007      |
| Resolution/Ordinance adopted             | 01/04/2007      |
| Notice of Determination                  | 01/04/2007      |

|   |            |
|---|------------|
| Auditor' Certificate of No Remonstrance | 02/05/2007 |
|---|------------|

Missing Information:

None

Note: Since this unit does not have a certified budget for 2007, it is not possible to determine their actual need yet. Any motion should state not to exceed some amount, not an actual amount.

#### Attendance

The following people attended the meeting: Tim Griffith (Trustee), Jason Stomm (Assistant Fire Chief), Andy Baldauf (Board Member), Dan Devlin (Board Member), and Lynn F. Love (Board Member).

#### Discussion:

Tim: I am submitting a revised hearing information sheet with updates.

A third of the time last year we were not able to respond to incidents with the appropriate equipment or in a timely fashion. We did hire additional staff after we received an emergency loan last year and that solved the response time problems. We now need to support that additional staffing.

#### Questions by Board Members:

Dave: This loan will replace last year's and the reason for the increase is to support that staff for a full year?

Tim: Yes.

Dave: What is the tax impact?

Tim: About nine dollars for a typical homeowner. We have worked to keep our costs down. One of the ways we did that was to rearrange our health insurance. We saved thirty percent, while still maintaining the same level of coverage.

Stan: Are there future plans to hire additional staff?

Tim: No, not at this time.

John: Will you come back next year to appeal for a permanent increase?

Tim: It will be the year after, because we need the full \$400,000.

#### Recommendation:

Ken G. motioned to recommend approval of an emergency fire loan in the amount of \$400,000 for a term of one (1) year. Lisa seconded and the motion carried 7-0.

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# Worth Township, Boone County Emergency Fire Loan

Summary: The unit is requesting approval to obtain a loan in the amount of \$301,000 for a term of one (1) year. Proceeds of the loan will be used for the financing of personal services expenses for the fire department.

Project Costs: \$301,000      Amount applied to debt: \$301,000      Annual Payment: \$337,717

|                                 |                    |
|---------------------------------|--------------------|
| Emergency Loan Calculation:     | 2007 proposed      |
| Certified Property Taxes        | \$18,802           |
| Certified Misc. Revenue         | \$291,116          |
| Jan. 1st Cash Balance (June 30) | \$3,434            |
| Total Funds Available           | \$313,352          |
| Less: Prior Year Encumbrances   | \$0                |
| Less: Estimated Expenses        | \$597,132          |
| Funds Remaining (Needed)        | <b>\$(283,780)</b> |
| Advertised Budget               | \$584,275          |
| Adopted Budget                  | \$584,275          |
| Advertised/Adopted Budget       | \$584,275          |
| Less Certified Budget           |                    |
| Budget cut by DLGF              |                    |

|                  |               |               |
|------------------|---------------|---------------|
| Tax Rate Impact: | 2006 AV       | \$110,000,000 |
|                  | Levy Needed   | \$306,801     |
|                  | Est. Tax Rate | .2789         |

## Meeting and Publication Dates:

|  |                 |
|--|-----------------|
| Date of publication for a public hearing | 12/20/2006      |
| Date of public hearing                   | 01/02/2007      |
| Resolution/Ordinance adopted             | 01/02/2007      |
| Notice of Determination                  | 01/10 & 17/2007 |

Auditor's Certificate of No Remonstrance 02/16/2007

Missing Information: None

Note: Since this unit does not have a certified budget for 2007, it is not possible to determine their actual need yet. Any motion should state not to exceed some amount, not an actual amount.

## Attendance

The following people attended the meeting: Tricia Leminger (Attorney), Jeff Peters (Accountant), Robert Guest (Trustee), Todd Budd (Deputy Fire Chief), and Brian Cope (Fire Chief).

Discussion:

The unit distributed a handout which detailed the following information:

- Modifying request from \$301,000 to \$283,780
- Township Overview
- The Department and today's challenges
- Conclusion and use of loan
- Various charts

Questions by Board Members:

Ken G.: What is the population of the township?

Trustee: It was 1400 in the 2000 census and we had almost that number who voted in the last election.

Ken G.: When you are servicing other corporations, do you receive reimbursement?

Trustee: No, only through contracts we have with unserved areas.

Jeff Peters: They actually levy taxes in the City of Whitestown.

Dave: What is the tax impact?

Jeff: It is currently 1.7 cents; the debt will be almost twenty-eight cents, which calculates out to about nineteen dollars per year. They had a room full of people and there was no remonstrance filed.

John: Are you planning on applying for a loan next year, and if so, for how much?

Jeff: I don't know yet – it will depend on which way the department goes. The current plan is to go from a paid stand-by to a full time fire chief to a combination department to a fully paid staff. It depends on how quickly they go from one stage to another.

Dave: This is a lot for just 1400 people.

Trustee: That is based on a population of seven years ago. We estimate a population of about 4,000 now.

Jeff: That is shown out in the increased responses the department has had.

John: Has the township talked to the General Assembly or done anything to try to receive help other than doing emergency borrowing?

Trustee: Townships experiencing this kind of growth are a small percentage of all townships. Other townships are not talking about this – only the ones in this situation.

Dan: You say the property tax dollars received is a dollar per dollar match to income taxes?

Jeff: Not any more, since the law changed. New debt is no longer used to calculate the distribution of income taxes.

Recommendation:

Ken G. motioned to recommend approval of an emergency fire loan in the amount of \$283,780 for a term of one (1) year. Lisa seconded and the motion carried 6-0-1 with Ken K. abstaining.

**Franklin Township, Marion County  
Emergency Fire Loan**

Summary: The unit is requesting approval to obtain a loan in the amount of \$1,978,000 for a term of one (1) year for the purpose of funding fire protection services.

Project Costs: \$1,978,000      Amount applied to debt: \$1,978,000      Annual Payment: \$2,139,612

|                                 |                      |
|---------------------------------|----------------------|
| Emergency Loan Calculation:     | 2007 proposed        |
| Certified Property Taxes        | \$4,832,453          |
| Certified Misc. Revenue         | \$1,731,838          |
| Jan. 1st Cash Balance (June 30) | \$1,210,335          |
| Total Funds Available           | 7,774,626            |
| Less: Prior Year Encumbrances   | \$329,040            |
| Less: Estimated Expenses        | \$9,423,586          |
| Funds Remaining (Needed)        | <b>\$(1,978,000)</b> |
| Advertised Budget               | \$9,746,149          |
| Adopted Budget                  | \$9,746,149          |
| Advertised/Adopted Budget       | \$9,746,149          |
| Less Certified Budget           |                      |
| Budget cut by DLGF              |                      |

|                  |               |                 |
|------------------|---------------|-----------------|
| Tax Rate Impact: | 2006 AV       | \$2,101,351,900 |
|                  | Levy Needed   | \$1,818,671     |
|                  | Est. Tax Rate | .0865           |

Meeting and Publication Dates:

|  |                 |
|--|-----------------|
| Date of publication for a public hearing | 12/20/2006      |
| Date of public hearing                   | 01/02/2007      |
| Resolution/Ordinance adopted             | 01/02/2007      |
| Notice of Determination                  | 01/10 & 17/2007 |

Auditor's Certificate of No Remonstrance      02/20/2007

Missing Information:      None

Note: Since this unit does not have a certified budget for 2007, it is not possible to determine their actual need yet. Any motion should state not to exceed some amount, not an actual amount.

Attendance

The following people attended the meeting: Tricia Leminger (Attorney), Terry Royalty (Trustee), Jim Crawford (Bond Counsel), Randy Weasner (Fire Chief), Eric Reedy (Financial Advisor), and Debbie Civils (Township Administrator).

Discussion:

The unit distributed a handout which detailed the following information:

- Modified request from \$1,978,000 to \$1,930,815
- Historical Overview
- The Department and today's challenges
- Emergency Loan Request
- Various Charts and tax rate impact calculations

Questions by Board Members:

Dave: Do you have a breakdown of the loan amount – how much is salaries for current versus new hires, etc?

Eric: A total of \$1,476,525 is for salary needs:

\$750,000 for fifteen new hires

\$200,000 for salary increases for existing staff - from probation class to 1<sup>st</sup> class firefighter

\$526,525 is the average pay increase for existing class firefighters, that is a 15% pay increase

Dave: What is the base salary for a first class firefighter before and after the pay increase?

Eric: A 1<sup>st</sup> class firefighter is currently receiving \$46,650 and that is increasing to \$52,600.

John: When was your last levy appeal?

Eric: It went into effect last year and we are phasing it in over three years.

John: How much was that appeal?

Eric: It was for \$1,345,468 and the levy is increasing a third of that for three years – this is the second year.

John: Where is the property tax logic in this?

Eric: The tax levy has remained level over the last two years and they are remaining under their two percent debt limitation.

Stan: Has there been any talk about consolidating with Indianapolis?

Trustee: Not at this time – we do not know what will happen in the future.

Recommendation:

Ken Kobe motioned to recommend approval of an emergency fire loan in the amount of \$1,930,815 for a term of one year. John seconded and the motion carried 7-0.

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**Greene County Unit, Greene County  
Lease Financing**

Summary: The unit is requesting approval to execute a second amendment to a lease between Greene County Building Corporation and the Greene County Unit in the amount of \$4,000,000 with annual lease payments not to exceed \$400,000 for a term of nineteen years. The lease amendment is for additional work relating to the acquisition, construction, and equipping of the renovation of the Courthouse for which bonds were originally issued in 2002 and BANs in 2005.

Project Costs: \$4,000,000      Amount applied to debt: \$4,000,000      Annual Payment: \$400,000

Controlled or Uncontrolled:      Uncontrolled

Revenue Source for Property Tax Backup:      County Option Income Tax (COIT)

|                  |               |               |
|------------------|---------------|---------------|
| Tax Rate Impact: | 2006 AV       | \$818,339,648 |
|                  | Levy Needed   | \$356,000     |
|                  | Est. Tax Rate | .0435         |

Meeting and Publication Dates:

Date of publication for a public hearing      N/A

Date of public hearing      N/A

Resolution/Ordinance adopted

12/05/2006 Board of Commissioners authorizing patron petition

12/18/2006 Greene County Council determining the need to enter into a lease

01/17/2007 Greene County Building Corporation authorizing the sale of bonds

01/16/2007 Board of Commissioners authorizing additional construction and an amendment to the lease, and other actions

Notice of Determination      N/A

Auditor's Certificate of No Remonstrance:      N/A

Common Construction Wage:      02/15/2007      Vote: 4-0-1

Missing Information:      None

Attendance

The following people attended the meeting: Jim Higgins (Financial Advisor), Rich Starkey (Bond Counsel with Barnes & Thornburg), Bart Beard (Greene County Commissioner), and Marilyn Hartman (Attorney).

Discussion:

In 2002 the County embarked on a renovation project for the Courthouse. The original cost was \$10 million. Three or four months into the project, the walls began to crack and shift apart. It was found that the soil borings were not done correctly and so were not accurate. We came back in 2005 for an additional \$2.5 million in order to fund the additional costs due to the hiring of different specialists, delay orders, and to fix the foundation. Three or four months later, after we thought everything had been fixed and the project

was progressing, a worker on the second level was walking along the terrace and it started swaying back and forth about three foot. It was then discovered that there was a design defect in the load bearing walls. Another design firm was brought in. The problem was the strength of the steel was too low. Now we are going to have to go back and shore up the steel. Several litigation claims have been filed. The one thing that everyone is in agreement about is that the County has done nothing wrong. The County has expended six to seven million dollars over the original amount. The lease revenue bonds are coming due. In order to finish the project, we need an estimated \$4 million. The hope is that possibly within the next few months, some of the litigation will be settled where we can recoup these additional costs. We need the additional funding in order to not default on the lease bonds.

Questions by Board Members:

Ken G.: You are hopeful for substantial recoupment?

Rich: Yes, because the County is not at fault, and these are additional expenses directly related to the design and engineering flaws.

Dave: The \$4 million will offset the \$6 to \$7 million overrun?

Rich: Yes, on top of the \$2 ½ million received in 2005.

Jim: We are doing the additional funding as a line of credit at the bank. We only draw down what is needed at the time to cover expenses. If we receive a favorable settlement, then we will not draw down the additional funds.

Ken G.: Why do you need an additional \$300,000 for construction management? Wasn't that included in the original amount?

Marilyn: We hired a gentleman to oversee this project – he is salaried and has been on the job since 2004.

Dan: What is the \$1.79 million in the "Other" category?

Marilyn: That is the amount of the delay claims.

Dan: Why is there a negative \$550,000 in the land & building category?

Marilyn: That is because of a change order. In order to keep the costs down, we decided to eliminate two decorative towers that were originally in the design plans. The architect estimated those costs to be \$550,000.

Recommendation:

John motioned to recommend approval of a lease rental agreement in the amount of \$4,000,000 with maximum annual lease payments in the amount of \$400,000 for a term of nineteen (19) years as a property tax back-up request. Stan seconded and the motion carried 6-0-1 with Ken Kobe abstaining.

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**Sugar Creek Fire Protection District, Vigo County  
Fire Equipment & Building Loan**

Summary: The unit is requesting approval to obtain a loan in the amount of \$600,000 for a term of six years for the purpose of purchasing a 2006 Vision Series 1500 GPM, 75' aerial fire truck.

Project Costs: \$600,000                      Amount applied to debt: \$600,000                      Annual Payment: \$145,000

Controlled or Uncontrolled:                      Controlled

Revenue Source for Property Tax Backup:                      N/A

|                  |               |               |
|------------------|---------------|---------------|
| Tax Rate Impact: | 2006 AV       | \$168,947,083 |
|                  | Levy Needed   | \$145,000     |
|                  | Est. Tax Rate | .0858         |

Meeting and Publication Dates:

|  |            |
|--|------------|
| Date of publication for a public hearing | 09/29/2006 |
| Date of public hearing                   | 10/10/2006 |
| Resolution/Ordinance adopted             | 10/10/2006 |
| Notice of Determination                  | 10/16/2006 |

Auditor's Certificate of No Remonstrance:                      11/16/2006

Common Construction Wage:                      N/A

Fire Marshall Office's response:                      Type and cost of equipment are reasonable

Missing Information:                      None

Attendance

The following people attended the meeting: Carol Holbert (Secretary/Treasurer of the Fire District) and James Holbert (Fire Chief).

Discussion:

All we want is a new fire truck.

Questions by Board Members:

Dave: Have you received bids yet?

James: Yes and we have selected the one we want.

Stan: Is 75' going to be tall enough for the buildings you protect?

James: Yes, it just is. We could use a little bigger, but then we couldn't get the truck to where the fire is because a taller ladder would mean a bigger body and tandem axels.

Stan: So if you wanted to go to a 90' aerial ladder?

James: The trade off is not worth it.

Dave: Are you retiring any vehicles?

James: We are sending one to reserve. We are also due for another ISO rating and we hope that our rating will improve due to the upgrading of our equipment.

Dave: Is the housing available and adequate?

James: Yes.

Dan: This is a loan of the fire district and not of the township, correct?

Carol: Yes, by the district.

Recommendation:

Ken G. motioned to recommend approval of a fire equipment loan in the amount of \$600,000 for a term of six (6) years. Stan seconded and the motion carried 7-0.

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**St. Joseph County Unit, St. Joseph County  
Judgment Bonds**

Summary: The unit is requesting approval to issue judgment bonds in order to satisfy a decreed order by the Marshall County Circuit Court in favor of Madison Center, Inc, in the amount of \$3,000,000. The total project, including per diem interest and incidental expenses, is \$3,250,000 for a term of three (3) years.

Project Costs: \$3,250,000      Amount applied to debt: \$3,250,000      Annual Payment: \$1,251,875

Controlled or Uncontrolled: Uncontrolled

Revenue Source for Property Tax Backup: N/A

|                  |               |                 |
|------------------|---------------|-----------------|
| Tax Rate Impact: | 2006 AV       | \$9,174,812,111 |
|                  | Levy Needed   | \$1,139,875     |
|                  | Est. Tax Rate | .0124           |

Meeting and Publication Dates:

|  |  |
|--|--|
| Date of publication for a public hearing | 02/01 & 02/2007                            |
| Date of public hearing                   | 02/13/2007 for an additional appropriation |
| Resolution/Ordinance adopted             | 02/20/2007                                 |
| Notice of Determination                  | N/A  |

Auditor's Certificate of No Remonstrance: N/A

Common Construction Wage: N/A

Missing Information: None



## Attendance

The following people attended the meeting: Peter J. Agostino (Attorney), John T. Lentz (Chief Deputy Auditor), and Bruce Donaldson (Bond Counsel with Barnes & Thornburg).

## Discussion:

This issue is for a settlement to a mental health facility for a shortfall in contract payments we entered into in 1990 to provide inmate services. The rate of payment was built into the governing statute at four and six cents. Over time, there was a difference in what was actually paid and what should have been paid. During an audit of the facility, it was found that the County was about \$4.3 million behind in payment – that was as of December 31<sup>st</sup>, 2004. Including 2005, the amount increased to about \$5 million. They filed suit and we took the opportunity to renegotiate the contract. The renegotiation resulted in a savings to the County of \$9 million.

## Questions by Board Members:

John: Had the County been paying the amount the court judged reasonable, how would the County have made the payments?

Answer: It would have come out of our general fund.

Dave: How much is in the budget?

Answer: \$2.3 million for mental health.

John: Why was this settled in Marshall County?

Answer: Because of the nature of the disagreement, they are allowed to seek an alternate venue.

## Recommendation:

Ken Giffin motioned to recommend approval to issue judgment bonds in the amount of \$3,250,000 for a term of three (3) years. Lisa seconded and the motion carried 6-0-1 with Ken Kobe abstaining.

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### **Jasper County Unit, Jasper County Lease Financing**

**Summary:** The unit is requesting approval to execute a lease with the Jasper County Building Corporation in the amount of \$8,180,000 with annual lease payments not to exceed \$950,000 for a term of twenty (20) years. The purpose of this project is to build a new Jasper County Law Enforcement and Detention Center which will house the Jail, Sheriff's Office, and Administrative Division along with a 911 Emergency Dispatch Center.

**Project Costs:** \$12,235,000      **Amount applied to debt:** \$8,180,000      **Annual Payment:** \$892,000

**Controlled or Uncontrolled:**      Controlled

**Revenue Source for Property Tax Backup:**      N/A

|                         |               |                 |
|-------------------------|---------------|-----------------|
| <b>Tax Rate Impact:</b> | 2006 AV       | \$1,907,576,225 |
|                         | Levy Needed   | \$802,800       |
|                         | Est. Tax Rate | .0421           |

Meeting and Publication Dates:

|  |            |
|--|------------|
| Date of publication for a public hearing | 12/21/2006 |
| Date of public hearing                   | 01/02/2007 |
| Resolution/Ordinance adopted             | 01/16/2007 |
| Notice of Determination                  | 01/18/2007 |

Auditor's Certificate of No Remonstrance: 02/20/2007

Common Construction Wage: 02/15/2007      Vote: 4-0

Missing Information: None

Attendance

The following people attended the meeting: Kendell Culp (President of the County Commissioners), Jim Walstra (Commissioner), Orville J. Perry (Sheriff), Kim Blanchet (Bond Counsel with Barnes & Thornburg), Rick Hall (Bond Counsel with Barnes & Thornburg), Brian Colton (Financial Advisor with H.J. Umbaugh), Matt Eckerle (Financial Advisor with H.J. Umbaugh), and Mark Van Allen (Architect).

Discussion:

The current jail was built in 1974; it is now too small, does not meet safety codes and is in disrepair. We started saving money for this fifteen years ago. There has been no opposition and no petitions circulated. We have held numerous public hearings for several months. We have purchased 37 acres outside the Rensselaer City limits. The City is going to run utility and sewer lines to the property. The project was approved unanimously by the County Council and the Commissioners. Jasper County currently has no debt, either bonds or leases.

Last year, we went to the General Assembly to request a special CAGIT levy of twenty-five cents in order to operate and maintain the new facility, which was approved. We have a Cum. Jail fund to pay for the items outside of the twenty-year term of the lease. Those items are not a part of this request. We were caught by Senate Bill 1 and lost several million dollars and that is the reason for this bond. Additional staff will be needed for the new facility. The current jail facility will probably be utilized by other County government agencies, though we are not sure which one yet. There are several that need more space.

Sheriff: Our jail is one of the last remaining linear-type jail facilities. It has a bed capacity of forty-four, with an additional six beds in another area for a maximum of fifty beds. Last weekend, we had fifty-eight inmates. Maintenance is difficult because of the age of the cells. It is World War 2 technology and it is getting more and more difficult to find parts for the doors and locks.

We also have a problem with security – inmates are brought in through the administrative offices and the 911 dispatch center. We have a 21% growth rate, which is the sixth largest growing County in Indiana. We want to be pro-active before a lawsuit is filed.

Questions by Board Members:

Dave: What is the bed capacity of the new planned jail?

Sheriff: 120 plus 10 in a specialty area.

Dave: The tax rate is expected to be four cents?

Matt: Anticipate \$15 a year – using CAGIT funds, it will be a two cent tax impact.

Ken K.: What is your CAGIT revenue per year?

Brian: About \$1.3 million. CAGIT will first be used toward the operation of the jail; the remaining revenue not needed for operations will go toward the debt payment. Property taxes will be levied for only the remaining amount needed to meet the debt obligation.

Dan: Do you have any plans for the Rainy Day fund?

Answer: No, we have no plans for that fund right now.

Recommendation:

Ken Giffin recommended approval to execute a lease in the amount of \$8,180,000 with maximum annual lease rental payments in the amount of \$950,000 for a term of twenty (20) years. Lisa seconded and the motion carried 6-0-1 with Ken Kobe abstaining.

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**East Chicago Waterworks District, Lake County  
Special District Bonds**

Summary: The unit is requesting approval to issue bonds in the amount of \$34,700,000 for a term of twenty-two (22) years for the purpose of constructing a new water treatment facility. The unit reasonably expects to use gaming tax revenues committed by the City of East Chicago to make the debt service payments. This unit is currently not listed as a taxing unit in the DLGF's system, which means they do not currently levy taxes. Per documentation submitted on behalf of the unit, the Waterworks District has its own Board and does not require City Council approval. They did pursue and receive the City Council's approval because the City is the unit that is pledging gaming tax revenue as the property-tax backup for this request.

Project Costs: \$51,300,000      Amount applied to debt: \$34,700,000      Annual Payment: \$2,808,750

Controlled or Uncontrolled:      Uncontrolled

Revenue Source for Property Tax Backup:      Gaming tax revenue

|                  |               |                 |
|------------------|---------------|-----------------|
| Tax Rate Impact: | 2006 AV       | \$1,230,838,794 |
|                  | Levy Needed   | \$2,808,750     |
|                  | Est. Tax Rate | .2282           |

Meeting and Publication Dates:

|  |   |
|--|---|
| Date of publication for a public hearing | N/A   |
| Date of public hearing                   | 12/28/2006  |
| Resolution/Ordinance adopted             | 12/14/2006 Declaratory Resolution of the Water Board<br>12/28/2006 Confirmatory Resolution of the Water Board<br>01/08/2007 Ordinance of Common Council<br>01/25/2007 For an additional appropriation |
| Notice of Determination                  | N/A   |

Auditor's Certificate of No Remonstrance: N/A

Common Construction Wage: 02/12/2007      Vote: 3-0

Missing Information: None

#### Attendance

The following people attended the meeting: James W. Bennett (Financial Advisor), Brian J. Marciniak (Plant Manager), Alan Schneider (Project Manager with LEMNA), Ted Sommer (Financial Advisor), Bob Swintz (Financial Advisor), and Bryan Collins (Bond Counsel).

#### Questions by Board Members:

Dave: Has there been any public comments?

Jim: There have been no comments during the Waterworks District's public hearings.

Dave: Are you under any decrees from IDEM?

Brian: The current plant has no violations. The plant was built in 1964 and has had no major renovations. The staff has difficulty in meeting the repair and maintenance needs. The plant will not meet the new EPA regulations that are coming effective soon. Instead of trying to refurbish the existing plant using a State Revolving Funds loan the decision was made to build a new water treatment plant. This new project does not qualify for a SRF loan. The old administration's plan was to repair and let it go as long as possible. The new administration's plan is to build a new plant instead of trying to refurbish the old plant, and then still not meeting EPA standards.

Dave: Will the new plant be able to utilize equipment from the existing plant?

Brain: There is some equipment that is able to be moved.

John: The City is pledging their gaming revenue – do we have a copy of that ordinance?

James: Yes, that has been provided.

John: What percentage of the gaming revenues is pledged to the Waterworks District?

Jim: Less than fifteen percent of the total gaming revenue, which is about \$20 million.

Dave: What will happen to the existing plant?

Jim: It sits right next to the marina and is a great potential for economic development. We are asking RFDA for \$9 million to remove it. The land will become a part of the Marquette Plan. Redeveloping this area will help in cleaning up the lakefront marina area.

Dave: Is there any concerns or provisions for ground contamination?

Jim: We have asked that. Because the original base is ordinary sand, there should not be any contamination.

John: The SRF loan will be retired with water rates?

Answer: Yes, there are two parts. The \$16 million loan is already in place and is being paid via rates. The second part is this \$37 million property-tax backup loan that will be used to complete the project.

Recommendation:

Ken Giffin recommended approval to issue property-tax backed Waterworks District Bonds in the amount of \$37,000,000 for a term of twenty-two (22) years. Dan seconded and the motion carried 7-0.

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**Cedar Creek Township, Lake County  
Emergency Township Assistance Loan**

**Summary:** The unit is requesting an emergency township assistance loan in the amount of \$90,000 for a term of five (5) years in order to finance the township assistance fund for 2007. Their funds are over their maximum levy due to an increase in the ambulance contract and they are unable to levy taxes for the township assistance fund.

Project Costs: \$90,000

Amount applied to debt: \$90,000

Annual Payment: \$20,711

|                                    |  |                      |
|------------------------------------|--|----------------------|
| <b>Emergency Loan Calculation:</b> |  | <b>2007 proposed</b> |
| Certified Property Taxes           |  | \$628,911            |
| Certified Misc. Revenue            |  | \$65,482             |
| Jan. 1st Cash Balance              |  | \$73,074             |
| Total Funds Available              |  | \$767,467            |
| Less: Prior Year Encumbrances      |  | \$29,000             |
| Less: Estimated Expenses           |  | \$877,928            |
| Funds Remaining (Needed)           |  | <b>\$(96,211)</b>    |
| Advertised Budget                  |  | \$                   |
| Adopted Budget                     |  | \$                   |
| Advertised/Adopted Budget          |  | \$                   |
| Certified Budget                   |  | \$                   |
| Budget cut because of levy limit   |  | \$                   |

Controlled or Uncontrolled:      Controlled

|                  |               |               |
|------------------|---------------|---------------|
| Tax Rate Impact: | 2006 AV       | \$495,370,441 |
|                  | Levy Needed   | \$20,711      |
|                  | Est. Tax Rate | .0042         |

**Meeting and Publication Dates:**

|  |                 |
|--|-----------------|
| Date of publication for a public hearing | 12/19 & 21/2006 |
| Date of public hearing                   | 01/04/2007      |
| Resolution/Ordinance adopted             | 01/04/2007      |
| Notice of Determination                  | 01/09/2007      |

|   |            |  |
|---|------------|--|
| Auditor's Certificate of No Remonstrance: | 01/22/2007 | Untimely – not 30 days after publication |
|   | 02/12/2007 | Timely                                   |

Missing Information: None

Note: Since this unit does not have a certified budget for 2007, it is not possible to determine their actual need yet. Any motion should state not to exceed some amount, not an actual amount.

#### Attendance

The following people attended the meeting: Alice Dahl (Trustee) and Traci Poston (Bookkeeper).

#### Discussion:

We are over our maximum levy because the ambulance contract has increased significantly over the last four years. We hope to have the loan paid back sooner than five years, but it will depend on the revenue coming in. The ambulance contract has increased by \$100,000 over the last four years. It is a co-operative ambulance service; we work together to run the service. The contract is seventy-seven percent of our budget.

#### Questions by Board Members:

John: You are showing a shortfall of \$90,000 – how long did it take you to get here and why did it come to this?

Alice: We have been short for two years: the first year we were short \$30,000 and the second year we were short \$58,000.

John: What were the township assistance expenses last year?

Alice: About \$87,000.

Stan: Are you talking about the Tri-Creek Ambulance service? Doesn't one of the townships operate the service?

Alice: Yes, West Creek Township operates the service. It is an interlocal agreement between three townships; West Creek, Eagle Creek, and Cedar Creek townships. Our problem is a result of a growing population. We had to go from a two-man crew to a four-man crew to keep two ambulances going to meet the number of responses.

#### Recommendation:

John motioned to recommend approval of a township assistance loan in the amount of \$90,000 not to exceed two (2) years. Ken Giffin seconded and the motion carried 6-1 with Stan opposed.

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### **Wright Township, Greene County Emergency Township Assistance Loan**

Summary: The unit is requesting approval to obtain a loan in the amount of \$200,000 for a term of one (1) year for the purpose of funding deficit and outstanding bills and some other potential expenses for township assistance.

Project Costs: \$200,000

Amount applied to debt: \$200,000

Annual Payment: \$209,900

|                             |          |
|-----------------------------|----------|
| Emergency Loan Calculation: | 2006     |
| Certified Property Taxes    | \$49,035 |
| Certified Misc. Revenue     | \$42,193 |

|                                 |                   |
|---------------------------------|-------------------|
| Jan. 1st Cash Balance (June 30) | (\$19,771)        |
| Total Funds Available           | \$71,457          |
| Less: Prior Year Encumbrances   | \$0               |
| Less: Estimated Expenses        | \$150,140         |
| Funds Remaining (Needed)        | <b>\$(78,683)</b> |

Note: The budget advertised and adopted is \$107,075 and the estimated expense is \$230,963. The difference is \$123,888. The expenses are more than twice what was advertised and adopted.

|                   |           |
|-------------------|-----------|
| Budget Advertised | \$107,075 |
| Budget Adopted    | \$107,075 |

|                           |           |
|---------------------------|-----------|
| Advertised/Adopted Budget | \$107,075 |
| Less Certified Budget     | \$ 30,963 |
| Budget cut by DLGF        | \$ 76,112 |

|                  |               |              |
|------------------|---------------|--------------|
| Tax Rate Impact: | 2006 AV       | \$64,690,510 |
|                  | Levy Needed   | \$197,306    |
|                  | Est. Tax Rate | .3050        |

Meeting and Publication Dates:  
Resolution/Ordinance adopted 08/30/2006

#### Financial History

| Civil Funds          | 2006     | 2005     | 2004     | 2003     |
|----------------------|----------|----------|----------|----------|
| Certified Budget     | \$96,763 | \$84,733 | \$80,477 | \$77,783 |
| Cash Balance June 30 | \$36,739 | \$39,150 | \$56,912 | \$60,305 |
| Estimated Misc. Rev. | \$65,554 | \$57,399 | \$60,382 | \$67,888 |
| Operating Balance    | \$5,089  | \$5,432  | \$29,543 | \$42,089 |
| Levy                 | \$5,952  | \$6,123  | \$4,695  | \$0      |
| Rate                 | .0092    | .0092    | .0069    | .0       |
| District Rate        |          |          |          |          |

Note: Since this unit does not have a certified budget for 2007, it is not possible to determine their actual need yet. Any motion should state not to exceed some amount, not an actual amount.

#### Discussion from the November 21<sup>st</sup>, 2006 meeting – this unit was tabled:

John Rowe: We have accumulated a deficit in the township assistance fund. Folks have been willing to write-off some debt and the amount needed is down to less than \$70,000. The anticipated tax rate is .3929 cents. .2012 cents is currently in place to pay for an existing loan. The new loan will impose a rate of .1303, which is less than this year's debt fund rate. Part of the funds is due to the City of Jasonville and to Duke Energy, we estimate about \$8,400. Representative Borders is working with Duke, but has not received a response from them yet. We have sought loans for a number of years. \$70,000 is in good faith and is about as low as we can get down to.

Questions by board members:

Dave: How long did it take you to get to this point?

John R.: One year.

Dave: What happens next year? Are you going to continue to spend more than your budget?

John R.: Last year we were approved for a \$30,000 township assistance loan and our proposed budget next year is \$60,000. The township has not previously enacted standards. There is a new trustee coming in next year and we are tightening up significantly. We are hoping that this will take care of the problem.

Stan: The statute addresses what type of assistance that can be granted, but not the dollar amount.

John R.: I agree; it also states that a lack of funds is not a reason to deny assistance.

Ken: Is this a one-time deficit to catch-up, or an on-going deficit?

John R.: We don't know; it all depends on how much assistance is requested. Historically, this has not been a one-time problem.

Ken: How did you start with a request of \$200,000 and now have it down to less than \$70,000?

John R.: (See Exhibit B) In August, when we started this project, it was estimate because we did not know the number of outstanding vouchers, or how much those vouchers were. Now we have put pen to paper with due diligence and know pretty much what the need is. We weren't sure then, but now we are.

Dave: According to this spreadsheet, \$70,000 will bring all of your funds back to zero?

John R.: Yes, because the trustee borrowed from all funds to pay for township assistance (John went over the spreadsheet he had handed out detailing account balances and expenditures).

Dan: The second page shows a tax draw of \$50,000 – which funds was that for?

Pam: All of them. Township assistance should have received \$29,000 – the total draw was \$115,000.

Answer: \$68,000 of that is to repay the previous loan.

Dan: Do you have your work papers from where you met with your DLGF field rep this year?

Answer: Not here with me today.

Stan: If this is approved, why not borrow this year and have a rate for 2007?

Karen: Because it is after the August deadline to have a rate for township assistance debt.

Comments from taxpayers, elected official, and other interested parties:

State Representative Borders:

I would like to stop this loan. Standards should have been in place before now. Last year the township assistance expense was \$135,000. Our tax rate has increased 30%. The Indiana average was a decrease of 1.2%. Our people are really being hit hard. I am working with LSA and trying to go after two sources of revenue:

1. The cumulative fire fund – there are a couple of statutes butting heads and I am working on that issue, along with Jeff Spaulding, and
2. A Homeland Security grant in order to purchase a new pumper.

Numerous state statutes have been violated in getting to this point. Monthly figures were not supplied to the advisory board, so they had no clue what was happening. What I would like to see is the need brought down to \$38,000, which can happen if I can access the cumulative fire fund. I personally do not see this happening again. (See Exhibit A for further detail and letter of opposition to the loan)



Former State Senator Eldon Tipton:

I am a retired naval officer. One thing that I was taught since my childhood is that you do not spend money that you don't have. I have not understood most of what has been said here today. My taxes this year were \$2400 – I don't remember if that is for a half or full year. I would like to not have to go to the poor house because I can't pay my taxes. There is a limit on what can be done.

State Trooper Harry Bedwell

We are in this mess because of a misuse of appropriations and the bungling of accounts. Standards should have been in place several years ago and should have been followed. The statute gives guidelines on giving and receiving township assistance (See Exhibit C). They are trying to get the taxpayers to catch the cart up to the horse. I think you should deny and not even consider this loan because state statutes have not been followed. The City and utilities have gone back to the people for payment when the township didn't pay. I don't think anything is going to happen if they don't get this money.

Dave: Why do you say that?

Mr. Bedwell: Who is going to sue them? In order to win, they would have to prove that they needed assistance, and people cannot do that.

Scott Richards:

I am amazed because the township representative can't answer the questions you have asked them, and they can't answer mine. In the last thirty to sixty days, we have incurred \$8,300 in attorney fees. I've seen a bill for \$5,000 from Ice Miller and \$3,300 for Mr. Rowe. They have incurred these additional expenses and don't have the money to pay for them. I would like to present to you the latest State Board of Accounts Audit done for the 2005 budget (See Exhibit D). We have asked for another audit but have been blown off.

Bonnie Porters:

The trustee has not written checks for three months and people are doing alright. They have gone out and gotten a job and are supporting themselves. We cannot afford another loan.

Attendance at the February 22<sup>nd</sup>, 2007 meeting

The following people attended the meeting: Tim Willard (Citizen), Brenda Willard (Citizen), David Stark (Citizen), Pam Jerrells (Citizen), William Michael (Citizen), Paul J. Trampke (Jackson Township, Green County Trustee), Carolyn Sue Hubbell (Wright Township Trustee), Fred Hubbell (Citizen), Ronald L. Jerrells (Citizen), Paige E. Gregory (Financial Advisor with H.J. Umbaugh), Nolan Wilson (Wright Township Board Member), Howard T. Johnson (Wright Township Board Member), Nellie Blevens (Administrative Assistant), Rick Taylor (Citizen), and Bruce Borders (State Representative).

Discussion:

Dave Christian: Before we begin the discussion, I have here a letter from Harry Bedwell that I want entered into the record that we have received. We have also been advised that the amount has been revised from \$200,000 to \$78,683. It is also my understanding that State Representative Bruce Borders would like to make his comments first since he needs to return to the sitting legislation in time for the vote to be taken on current bills. So at this time... Mr. Borders, the floor is yours.

Mr. Borders:

My number one concern is that a lot of these debts have already been paid off for rent, electric bills and to the City of Jasonville. My speculation is that those numbers have already been winnowed down.

Paige: There was \$29,703 in outstanding claims that were given to me as still needing to be paid.

Trustee: I called Duke Energy and received verbal confirmation that we still have \$8,581.87 in outstanding claims and they will not take less. There is also still \$3,000 in outstanding claims to the City for water services.

Rep. Borders: Some of the claims that have been included in the outstanding amount due have been forgiven. The amount requested is still too high. For example, I have a rental house that I received a township voucher for half of the monthly rent. I have forgiven that debt and will not be seeking reimbursement. I think that more time needs to be spent in determining what the true needs are.

Dave: Paige, did you have anything in writing that some of the debt was forgiven?

Paige: No, I was handed a box of claims that totaled \$29,703. There was no record of any of the debt being forgiven.

Dave: What the township needs is confirmation, in writing, that a voucher debt was forgiven. If they do not have that, then there is no way they can know that a debt has been forgiven.

Paige: Karen Arland just reminded me that this loan is a draw loan – meaning that they will only draw down the amount needed. They do not have to borrow the whole amount.

Rep. Borders: Vouchers were issued that had no legality to them. They were issued illegally and I believe that I can show that. My goal is to look at those figures and make sure they are all valid.

Dave: All this information is fine and we appreciate it – but all this information has to be documented.

Paige distributed a handout that detailed the following information:

- The Township came to control board last year and was rescheduled for today.
- The Township has new leadership and hired H.J. Umbaugh to review its financial situation and assist with determining the loan amount necessary to cover township assistance claims
- I performed three days of onsite support looking at all funds, not just the township assistance fund
- The State Board of Accounts noted excessive or unreasonable costs in the township assistance fund in the 2004/2005 audit
- The township is putting forth a good faith effort to control assistance costs
  - The township has developed and is abiding by application and eligibility standards for assistance (a copy has been submitted to the Board for review)
  - The Township Board has adopted a budget not to exceed \$60,000 for 2007
  - The Township's budget in comparison to surrounding townships in Greene County
  - The law requires a township to provide assistance if a person meets the standard
- Impact of debt service levy

Trustee: I know I have people that need help and I have no money to pay them. I have been referring them to local churches and they are helping the people.

Comments from Taxpayers:

David Stark: I have been a homeowner since 1965 and I am here today because of mistakes, poor judgment and bad business decisions. I am opposed to the \$78,000 loan. I am also a trustee at a local church. Taxpayers are being asked to pay for mistakes, poor judgment and bad business decisions. If it had been an emergency or some unforeseen circumstance, then this would be ok.

Ken K: What is your suggestion? Services have been provided and vendors need to be paid for those services.

David Stark: The money was spent without our knowledge. I understand that you need to pay for services received, but this was done illegally.

Paul Trampke: I have received more calls about not receiving assistance than I have wanting assistance. I find that this situation is remarkable – the poorest township in the poorest County has the highest township assistance amount. I resent the fact that Senator Borders is opposing this. It is none of his business, this is a township matter. I fully supported the previous trustee and the current trustee also.

Questions by Board Members:

John: The amount of \$29,703 - is the amount of unpaid bills presently due from last year, plus the negative amount in the township assistance fund for a total of \$78,683? This just covers last year – what are you going to need for this year?

Paige: The third page of the handout shows the cash flow and what we anticipate needing for 2007. At this point, we do not know what the need will be. The budget is \$60,000, so any claims over that amount will need to be funded with another emergency loan.

Recommendation:

Lisa recommended approval of an emergency township assistance loan in the amount of \$78,683 for a term of one (1) year with the understanding that the Trustee will go back and make every effort to verify the amounts due. Ken Giffin seconded and the motion carried 7-0.

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